

Department of Labor and Workforce Development

In July 1999, the Tennessee General Assembly created the Department of Labor and Workforce Development by combining the departments of Labor and Employment Security.

The Department of Labor and Workforce Development is a large, diverse department with dual areas of focus - providing both workforce development and workplace safety and health services to the citizens of Tennessee.

Adult Education, Employment Security, and Employment and Workforce Development provide a wide variety of workforce development services. These three divisions are integral parts in the Tennessee's Career Center System.

The Division of Adult Education administers Adult Education and Literacy funds that provide educational opportunities for adults seeking basic skills upgrades, General Equivalency Diploma (GED) exam preparation, English language skills for speakers of other languages, and basic workplace computer skills. These services are offered at Adult Learning Centers and to employers on-site at their request.

Employment Security administers Tennessee's unemployment insurance program. The division takes and processes unemployment claims, pays unemployment benefits to eligible claimants, and collects wage information and unemployment insurance premiums from employers. This division also serves as the state's official source for employment research and statistics and assists employers who are looking at business expansions or are interested in labor availability and wage information.

Employment and Workforce Development is responsible for delivering the department's employment and training services to employers and job seekers with single points of contact; and customized packages of services including Older Worker Services, which implements the Senior Community Service Employment Program. For businesses, this department is a source for more skilled workers, recruitment and training services. For job seekers, it serves as a source for job training, information, placement, and opportunities.

The department's Workplace Safety and Health services are provided by the divisions of TOSHA, Workers' Compensation, and Workplace Regulations and Compliance.

Tennessee Occupational Safety and Health Administration (TOSHA) strives to save lives, prevent injuries, and protect the health of Tennessee workers. The Staff establishes protective standards, enforce those standards, and reach out to employers and employees through technical assistance, training, and consultation programs.

The Workers' Compensation Division administers the workers' compensation program and promotes a better understanding of the program's benefits by informing employees and employers of their rights and responsibilities, by mediating disputed claims and encouraging workplace safety. The Workers' Compensation Division also administers the Second Injury Fund and manages the innovative Drug Free Workplace Program.

The Division of Workplace Regulations and Compliance oversees a diverse set of programs including: Mine Safety, Boiler and Elevator Operations, and Labor Standards. This group

conducts mine safety training classes, licenses and inspects every boiler vessel and elevator in Tennessee, and monitors compliance with labor laws.

Mission Statement

To work as a team to promote workforce / economic development and improve workplace safety / health throughout Tennessee.

Goals

1. Through fiscal year 2012, the department will continue providing economic stability through the payment of Unemployment Insurance Benefits due to recipients of which a minimum of 94% will be timely.
2. Through fiscal year 2012, the department will promote economic development through the education and training of Tennessee's workforce by increasing the Entered Employment Rate and Skill Attainment Rate.
3. By fiscal year 2009, 80% of Workers' Compensation Benefit Review Conferences will be completed within 60 days from the date Request for Assistance is received.
4. By fiscal year 2010, the department will improve workplace safety in Tennessee by keeping Tennessee's four-year Average DART rate below 3.0 through education, training, and regulation.

Goal 1

Through fiscal year 2012, the department will continue providing economic stability through the payment of Unemployment Insurance Benefits due to recipients of which a minimum of 94% will be timely.

Strategies for Achieving Goal 1

1. Completion of the Remote Claims Centers expansion statewide.
2. Initiation of the payment of benefits via debit cards and/or direct deposit.
3. Establishment of annual fact finding training for UI interviewers by UI Tech to help them identify relevant issues when taking UI claims.
4. Conduct annual training by UI Tech and the BTQ unit to ensure U.S. Department of Labor (USDOL) standards are met.
5. Establishment of quarterly quality review sessions with adjudicators, utilizing Benefit Timeliness Quality (BTQ) and Benefit Accuracy Measurement (BAM) results to provide feedback.

Performance Measure

1. Percent of Unemployment Insurance Benefits paid within 14 days of receipt of claim.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
93%	94%	94%	94%	94%	94%

Goal 2

Though fiscal year 2012, the department will promote economic development through the education and training of Tennessee's workforce by increasing the state Entered Employment Rate and Skill Attainment Rate for Workforce Development System

Strategies for Achieving Goal 2

1. Maintain eligibility of incentive awards by exceeding federally mandated performance goals.
2. Expand the Incumbent Worker Training program to \$3 million annually.
3. Fully implement Common Performance Measures in the Workforce Development System.
4. Develop a plan to address the 1.25 million Tennesseans who lack a GED.

Performance Measures

1. Department Entered Employment Rate.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
68.5	68.5	69.5	69.5	70.5	70.5

*Numbers change due to change in definition of calculation.

2. Department Skill Attainment Rate.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
57.5	60	61	62	63.5	63.5

*Numbers change due to change in definition of calculation.

3. GED Diplomas Earned:

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
12,267*	12,000	12,100	13,310	14,641	16,105

* est.

Goal 3

By fiscal year 2009, 80% of Benefit Review Conferences (BRCs) will be completed within 60 days from the date Request for Assistance is received.

Strategies for Achieving Goal 3

1. Workers' Compensation Specialists and their assistants will timely receive requests for assistance and requests for BRCs through telephone, email, and correspondence and will record as well as properly and accurately enter their data in the computer system to generate timely scheduling.

2. The Division's Workers' Compensation Specialists and their assistants will accurately and expeditiously dispense information to all stakeholders within the Workers' Compensation System through telephone, email, and correspondence.
3. Following Division procedures, Workers' Compensation Specialists will thoroughly investigate and accurately and expeditiously issue orders that are proper in their judgment and meet Division policies in temporary cases.
4. Workers' Compensation Specialists will conduct timely Benefit Review Conferences and make every attempt to resolve cases, through mediation, to settlement. The Specialists will inform all participants of all of their rights and obligations under the Workers' Compensation Law.

Performance Measure

1. Percent of Benefit Review Conferences completed within 60 days.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
75%	77%	80%	80%	80%	80%

Goal 4

By fiscal year 2010, the department will improve workplace safety in Tennessee by keeping Tennessee's four-year Average DART rate (Days Away From Work, Restricted, or Transferred from Work) below 3.0 through education, training, and regulation.

Strategies for Achieving Goal 4

1. Target Spanish speakers.
2. Expand Award Program.
3. Improve marketing efforts.

Performance Measure

1. Four-year average of DART rate.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
2.5	3.0	3.0	3.0	3.0	3.0

*Note: Days Away from work, Restricted or Transferred from Work (DART) rate includes work related injuries involving days away from work, restricted work activity, and transfers to another job for 100 full-time equivalent employees.

Additional Agency Information

Statutory and Constitutional Objectives

In July 1999, the Tennessee General Assembly created the Department of Labor and Workforce Development by combining the departments of Labor and Employment Security.

Section 134(d) (1-3) of The Workforce Investment Act (WIA) Title I program mandates that all youth, adults, and dislocated workers receive services through the one-stop career center system. Employment and Workforce Development is designated by the federal government as the Senior Community Service Employment Program (SCSEP) agency for Tennessee. These services are federally mandated under Title V of the Older Americans Act.

The Division of Adult Education is authorized by the Workforce Investment Act of 1998, Title II, Adult Education and Literacy, Public Law 105-220. It is the purpose of Title II to create a partnership among the federal government, states, and localities to provide, on a voluntary basis, adult education and literacy services.

TCA Title 50, Chapter 7 requires the Division of Employment Security to administer the state's Unemployment Insurance and Job Service Programs.

TOSHA is required to perform workplace inspections (TCA 50-3-301-307), issue findings for violations of the standards as adopted (TCA 50-3-201-204), assess penalties (TCA 50-3-401-409), and perform investigations of allegations of discrimination for participating in a safety and health protected activity (TCA 50-3-409). All of TOSHA's statutory objectives and responsibilities are delineated in the Tennessee Occupational Safety and Health Act of 1972 (TCA 50-3).

Tennessee Code Annotated (TCA) Title 68, Chapter 122 requires the Boiler Inspection Division to inspect, register, and invoice all boilers and pressure vessels that are operating within the criteria of the law; that all boiler and pressure vessel repair companies are licensed with the Boiler Inspection Division; and that manufacture and repair companies receive a tri-annual quality control review. The National Board Inspection Code and amendments thereto, provide a framework for the inspection of boilers and pressure vessels. TCA 68-121 states that all elevators, dumbwaiters, and escalators must be registered within seven days of their completion and placed in service. This division is governed by the state elevator board.

The Department is also responsible for ensuring that all statutory requirements set forth in the Tennessee Workers' Compensation Law, TCA 50-6-101 et seq., are met. Further, the Department is charged with ensuring that all United States and Tennessee constitutional guarantees, including but not limited to due process, equal protection, and open courts, are not violated in any way.

TCA 1-4 Part 4, TCA 50-2, TCA 50-5, and TCA 62-42 establish the Labor Standards and Labor Research Statistics Division and outline the guidelines they must enforce.

Obstacles to Meeting Objectives and Delivering Services and Means of Overcoming Obstacles

Obstacle 1 – The department must strive to maintain service levels in the face of decreased federal funding. In FY 2006-2007 recurring federal grants will make up nearly 71% of the department's budget. However, the department is facing a potential \$20 million deficit in federal

funding. Maintaining funding is essential to enable the department to continue to serve the citizens of Tennessee. Federal funding is becoming increasingly limited. The programs of Adult Education, Employment Security, and Employment and Workforce Development anticipate that funding levels for Unemployment Insurance, Wagner-Peyser WIA, and Adult Education will remain stagnant or decrease during the next fiscal year.

The department is committed to meeting all federal mandates and performance measures, even if funding levels are reduced. Several steps are being taken to eliminate unnecessary spending where possible, and solutions are being sought that will continue to allow all Tennesseans access to unemployment insurance and career center services. The department plans to take advantage of cost savings resulting from increased efficiencies from new and emerging technology such as digital imaging, interactive voice response, and remote taking and filing of claims via phone or internet. One solution is the continued expansion of filing and processing of unemployment insurance claims at remote locations. By the end of 2008, all 95 counties will file UI claims via telephone. Removing the claims taking responsibilities from the career centers allows the department to take claims more cost-effectively. Employment Security has also applied for, and received, several supplemental budget requests from the United States Department of Labor (USDOL) that will enable the department to proceed with the development and implementation of claims taking processes in several remote sites across the state. Plans call for moving employees in Career Centers to claim centers or remote adjudication sites in order to create economies of scale, allowing Tennessee's unemployment insurance program to continue being a national leader, even with the proposed funding allocation cuts.

Obstacle 2 – The department must address the needs of the increasing Spanish-speaking population in Tennessee. The workforce in Tennessee is large, diverse, and changing. Therefore, each of the department's divisions must develop targeting strategies that use resources effectively. The 2000 Census projects that the Hispanic population of Tennessee will continue increasing over the next five years. The divisions of TOSHA, Employment and Workforce Development, Adult Education, Employment Security, and Labor Standards all anticipate increased demand for services from Spanish speakers. The lack of departmental staff with Spanish proficiency is a concern. TOSHA continues to see the number of accidents involving Hispanic workers to increase as the number of businesses employing immigrant workers increases. The Career Center system has also experienced an increase in volume of customers who speak Spanish as their primary language, causing budgetary pressure resulting from additional translation and programming costs. Currently, 15 to 20 percent of enrollment in the English Speakers of Other Languages (ESOL) program is comprised of people enrolling in the Adult Education program. Labor Standards has also continued to see an increase in the volume of questions about wage claims and work regulations. Approximately 50 percent of these inquiries are made from Spanish speakers. The department anticipates that each of these numbers will continue to rise as the number of Spanish speakers living and working in Tennessee increases.

The department is committed to delivering quality services to all customers. The divisions of TOSHA, Workers' Compensation, Employment Security, Employment and Workforce Development, and Labor Standards have translated information and forms into Spanish. TOSHA has contracted with a translation service that assists during inspections and accident reviews. The one-stop Career Centers have access to a phone translation system with excess of 100 available languages for use by the staff of Adult Education, Employment and Workforce Development, and Employment Security. Each Local Workforce Investment Area is working to ensure that ESOL services are provided to help participants that do not speak English as their primary language. These services are reviewed by the Program Accountability and Review (PAR) monitors within

the Department of Labor and Workforce Development to assure that all individuals have access to the services provided in the Career Centers across the state. A policy team is currently reviewing and monitoring department policy to ensure that all divisions are operating in accordance with all Equal Employment Opportunity and Affirmative Action regulations. The division of Adult Education is developing an ESOL in the Workplace Program as well.

Obstacle 3 – The department must develop a comprehensive human resources plan to provide an adequate workforce to ensure long-term department sustainability. Approximately 30 percent of department staff is currently eligible to retire or could retire within the next five years; however, less than three percent are under the age of 25. Many of those at or nearing retirement are in manager or supervisor positions and possess a great deal of operational knowledge. It is imperative that this knowledge is passed on to other staff to enable department operations to continue as staffing levels change.

The greatest resource to the department is its staff. The commissioner feels that it is important to effectively educate and train all department staff to ensure that knowledge is shared throughout the organization. Senior staff within the department participates in frequent staff meetings and all division heads hold staff meetings with their supervisors and managers. The Strategic Planning Team has been established to handle issues such as improving staff training in a timely manner. An executive succession plan has been created as part of the department's business resumption plan. The plan outlines what will happen in the event of the death or illness of the commissioner. In addition, each administrator has designated an assistant administrator to assume direction of programs for which they have responsibility. The department is in the process of reviewing and updating its Continuity of Operations Plan (COOP).

Obstacle 4 – The department must develop and deploy a comprehensive information technology strategy that supports the department's strategic goals. The rapid rate of technological change requires the department to continually update and upgrade the information technology within the department. This obstacle is further compounded by the necessity of housing all departmental information technology staff in the central office in Nashville, given the number of employees and offices across the state.

A three-year Information Systems Plan (ISP) is prepared and submitted to the Office of Information Resources, as required. The Management Advisory Committee (MAC) oversees all information technology (IT) issues the department faces. The MAC, chaired by the deputy commissioner, has seven voting members and three non-voting members, meets quarterly to monitor the progress on all current IT projects. The ISP outlines all the anticipated projects for the next three years and serves as a roadmap to help the department meet the challenges and the rapid rate of technological change.

Obstacle 5 – The department must strive to maintain and improve the consistency and quality of services in all of our offices across the state. The department has nearly 2,000 employees in approximately 100 offices around the state. The dissemination of information, policies, and procedures in a large, geographically dispersed department is dependent on 21st century technology, which can be challenging at times.

In many areas of the department, undocumented processes are relied upon as the primary means of program operation. While the department annually meets its performance goals, an opportunity exists to document key processes in all divisions of the department. This will allow for the sharing of best practices between those offices providing the same services.

The department has revised the strategic planning process to facilitate the development of long-term goals and strategies. Senior staff meets monthly and each administrator holds regular staff meetings with the directors in their division. The department maintains an Intranet site for all department employees that has state and departmental policies listed, a departmental phone directory, the strategic plan, and weekly updates from the commissioner. The information office sends out *The Team Update* via email weekly to all departmental staff. This newsletter informs staff of important dates and occurrences in the coming weeks. Division heads with field staff hold regular meetings with supervisors, managers and directors from offices across the state several times yearly to ensure that information flows to all parts of the department.

Means of Maximizing Federal and Other Non-State Sources of Revenue

The department has created a performance-balanced scorecard to align division goals to strategic department goals. Performance is monitored monthly to ensure that we meet all state and federal goals.

TOSHA will maximize its sources of revenue by continuing to meet or exceed the benchmark staffing requirements of the grant for the Compliance program. Staffing levels affect the amount of money that will continue to be provided to TOSHA. The division has requested that OSHA provide additional funding to promote the Consultation program. The application for the 23(g) compliance grant and 21(d) consultation grant will be completed by September 1 each year and the performance report will be completed by December 1 each year. The division will meet all mandatory activity measures required by the U.S. Department of Labor – OSHA and will continue to meet the requirement of “being as effective as or more effective than OSHA.”

Employment and Workforce Development will continue to meet and exceed the performance goals set by the Federal Government to become eligible for incentive funding each year. Local Workforce Investment Areas (LWIAs) are expected to leverage WIA funds with any additional sources of state, non-state, and federal revenue. National Emergency Grants will also be sought where applicable to assist Tennesseans who have lost their job due to plant closures or layoffs.

Adult Education programs across the state have formed partnerships with employers in order to provide the services requested by business by sharing educational costs. Business has shown a willingness to use their training dollars to provide specific educational services by cost-sharing the amount for instructor pay and materials.

All funding for Employment Security is derived from the federal government. The division should take advantage of grant monies. During the past few years, the program has acquired \$1.4 million in federal grant funds to develop and implement telephone and Internet claims taking applications. The division has also received supplemental funds for improving the integrity of the Unemployment Insurance system and will continue to do so as funds are made available.

Means of Avoiding Unnecessary Costs and Expenditures

The department participates in several federal, state, and internal audits annually to ensure program compliance with regulations. Our last audit was for year ended 6/30/06 and was released 5/24/07.

The department is utilizing the program accountability review (PAR) monitors that were transferred back into the department from the Department of Finance and Administration. This allows for greater program oversight and control of the monitoring process.

The department's Division of Administrative and Fiscal Services monitors and reviews all actual expenditures of the department. All contracts, travel claims, and purchase orders are reviewed and processed in accordance with state regulations. Budget worksheets that calculate actual expenditures are used to determine budgets. Justification of each line item is required with each budget proposal. The department also analyzes operations frequently, making necessary changes to policies and procedures to ensure that the department is operating as efficiently as possible. Line item changes throughout the year must be submitted and approved through the state office. Equipment purchases are approved in advance and checked against inventory lists, which local programs are required to keep updated.

The Management Advisory Committee (MAC) continues to lead the Information Technology planning process. The MAC monitors, reviews, and approves all IT projects occurring in the department and ensures that each project is in line with the strategic goals of the department. Continued replacement of computer technology enables the department to improve efficiency, including the use of new technology through software or Internet based applications. The department is committed to expanding the amount of information that is sent electronically to reduce the amount of paper that is used. A three-year plan to replace the computers is in place.

The department realizes that long-term strategic planning is necessary to ensure cost effectiveness and long-term success. A strategic planning team (comprised of representatives from all divisions and support areas) has been created to coordinate and oversee the planning process. Division goals are aligned with department goals.

At the request of the U.S. Department of Labor, the department is establishing baseline data on the cost of running the one-stop career center system. This data will be analyzed to ensure that the system is operating in the most cost-effective and efficient manner possible.

Future Challenges and Opportunities

As part of the strategic planning process, the department completed a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis.

The commissioner is committed to delivering services that meet and exceed the expectations of our customers. The department will begin a comprehensive customer satisfaction survey during FY 2007.

As mentioned in the fiscal year 2005-06 plan, the department completed a Request for Proposal process for a new central office. The design phase of our new central office was completed during fiscal year 2005-2006, and construction should be completed during fiscal year 2006-2007. The department is scheduled to be in the new building by mid Nov. 2007.

A strategic decision was made during FY 2006 to change the way unemployment insurance (UI) claims will be taken in Tennessee. Advances in technology have allowed the department an additional method to file unemployment benefits. For the past several years the department has conducted a pilot telephone claims center. Initially twelve counties in Middle and West Tennessee were served by the claims center. This expanded to seventy- nine counties during FY

2006. An additional three remote claims centers were open across the state during FY 2007. All 95 counties will be covered by the claims center network by the end of 2008. By having a total of seven sites across the state, the department is able to take advantage and use existing experienced staff in the field to take claims over the phone. This plan will ensure sustainability of UI for next 50 years and better serve the citizens of the state.

There are over 1.25 million working Tennesseans who lack a high school diploma or its equivalent. It is essential that the department work to address this problem. Historically, in many communities individuals were able to work good paying manufacturing jobs without a GED. These manufacturing jobs have gone away over the past ten years. The high growth, high demand jobs of the 21st century require an educated and skilled workforce. The divisions of Adult Education, Employment and Workforce Development, and Employment Security all work together as part of the Workforce Development System to assist these individuals improve their skills and find employment.

In the FY 2004-2005 Strategic Plan, federal reauthorization of the Workforce Investment Act (WIA) was identified as a potential obstacle for the department. While the reauthorization has yet to be completed, the work continues on reauthorization at the federal level. The department continues to view the pending re-authorization as both a challenge and an opportunity. One aspect of WIA re-authorization will be common performance measures for all partners within the workforce development system. The U.S. Department of Labor is currently working to develop a set of seven common reporting measures that will streamline reporting to the federal government. The divisions of Employment and Workforce Development, Adult Education, and Employment Security will be affected by this change. Tennessee is one of four states that participated in the national pilot for integrating and implementing a common reporting system. The common report will include multiple partners within the workforce system, including Wagner-Peyser, WIA, TRA, Adult Education, Veterans programs, and Title V. Tennessee continues to be a national leader in performance in the workforce system ranking third in the nation in receiving an incentive award based on program performance outcomes for the previous year. We have received an award for the past five consecutive years.

The Department of Labor and Workforce Development continues to expand the commissioner's Baldrige Initiative. Additionally, we are considering applying as a department for the award and are committed to the Governor's priority of increasing efficiency and seizing the opportunity to show that we can do more with less. The commissioner wants the department to be viewed as a state and national role model department in the areas of continuous improvement and performance excellence.